# 3 TSX Dividend Aristocrats That Can Protect You From Inflation

### Description

Dividend stocks help investors earn extra money or passive income. But with inflation at elevated levels, more people should consider owning dividend stocks to hedge against it. Also, should high inflation persist, don't settle for ordinary dividend payers.



Your best options are Dividend Aristocrats like **Emera** (TSX:EMA), **Algonquin Power & Utilities** (TSX:AQN), and **Exco Technologies** (TSX:XTC). Their dividend payments should continue in the current economic environment.

## Defensive asset

Emera is a strong buy if you're panic-stricken. Besides its defensive nature, the growth profile is intact, if not solid. At $52.31 per share (-14.55% year to date), the dividend yield is a juicy 4.99%. This $13.9 billion energy and services company has raised its dividend for 15 consecutive years and plans to increase the payout by 4-5% annually through 2025.

Scott Balfour, Emera's president and chief executive officer (CEO), said the dividend-growth guidance reflects management's confidence in the high-quality regulated utility portfolio. The investments in regulated electricity generation and electricity and gas (transmission and distribution) would drive earnings and cash flow growth.

In the six months ended June 30, 2022, Emera's net income was steady. It rose 15.2% year over year to $295 million. Balfour added, "Our portfolio of high-quality regulated assets continues to deliver solid performance and predictable earnings growth."

## Growth-oriented renewable firm

Algonquin Power is a top choice in the renewable energy space. The business model of this $9.65 billion is also defensive owing to its rate-regulated utility assets. Moreover, it offers a healthy 6.95% dividend. At $14.24 per share, you can purchase 1,620 shares ($23.068.80 investment) to generate

$400.82 in passive income every quarter.

The continued earnings and cash flow growth enabled the utility stock to increase its dividends for 11 consecutive years. Because of strategic acquisitions and the ongoing development of world-class renewables, management expects to see sustainable, rapid growth in the years to come.

In the second quarter (Q2) of 2022, adjusted net earnings reached US$109.7 million, representing a 19.6% increase from Q2 2021. Notably, cash provided by operations soared 160% year over year to US$268.6 million. Consider buying this dividend-growth stock while the price is down 18.89% year to date.

## Bright future ahead

Exco Technologies flies under the radar, but it should be valuable to your stock portfolio. The $282.11 million company designs, develops and manufactures dies, moulds, components, assemblies, and consumable equipment for the die-cast, extrusion, and automotive industries. Its diverse and broad customer base is in nine countries.

This small-cap industrial stock boasts a mean dividend-growth streak of 16 years. It trades at $7.25, or at a deep discount (-27.05% year to date). However, the 5.79% dividend should compensate for the stock's temporary weakness. While sales in Q3 fiscal 2022 increased 12.4% to $129.25 million versus Q3 fiscal 2021, net income dropped 35.9% year over year to $5.56 million.



Still, its president and CEO Darren Kirk said, "Our results demonstrate Exco's ability to navigate through very challenging market conditions." He expects Exco to benefit from the electric vehicle revolution and worldwide movement towards reducing emissions.

## Solid protection

Investors today need solid protection from high inflation. The dividend-growth streaks and depressed prices of Emera, Algonquin, and Exco are compelling reasons to invest in the Dividend Aristocrats today.

**CATEGORY**

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2. Investing

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:EMA (Emera Incorporated)
4. TSX:XTC (Exco Technologies Limited)

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